

**Upper Hurstville Security District  
New Orleans, Louisiana**

**Annual Financial Statements  
And Report on Applying Agreed-Upon Procedures**

**Year Ended December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/3/11

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**Required Supplementary Information (Part 1)**

**Upper Hurstville Security District**  
New Orleans, Louisiana

**Management's Discussion And Analysis**  
Year Ended December 31, 2010

Our discussion and analysis of the Upper Hurstville Security District's (the "District's") financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Financial Highlights**

The financial statements included in this report provide insight into the financial status for the year. The District's operations increased total net assets by \$53,592 and resulted in ending net assets of \$118,442, or an increase of 83%.

The total spending for the governmental activity was \$173,087 for the year, which was \$53,592 less than the parcel fees (and interest) received for this activity, which totaled \$226,679.

The interest earned on bank checking accounts and funds held in custody (at the Board of Liquidation, City Debt) was \$1,004 for the year.

**Overview Of The Financial Statements**

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and other supplementary information, including other reports and schedules by certified public accountants and management. The District's operations are conducted through a general fund.

**Government-Wide Financial Statements**

The statements in this section include the Statement Of Net Assets and the Statement Of Activities.

The Statement Of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private businesses. The difference between total assets and total liabilities is net assets, which may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement Of Activities presents information showing how the District's assets changed as a result of current year operations. The statement is also prepared using the accrual basis of accounting. In this method, all revenues and expenditures are recognized regardless of when the cash is received or disbursed.

### **Fund Financial Statements**

Due to the nature of organization and its present operations, the District uses only the governmental type of fund. The basic services of the District are reported in the general fund, which focuses on how money flows into and out of the District and the balance left at the end of the year. The revenues and expenditures of the general fund are reported (in the statement of revenues and expenses and changes in fund balance) using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information (presented in the balance sheet) helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship (or difference) between the governmental activities (reported in the Statement Of Net Assets and the Statement Of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

### **Financial Analysis Of The District**

#### **Summary Statement Of Net Assets As Of December 31, 2010 And 2009**

	<u>2010</u>	<u>2009</u>
Current and other assets		
Total assets	<u>\$149,174</u>	<u>\$ 108,360</u>
Current liabilities		
Total liabilities	<u>30,732</u>	<u>43,510</u>
Net Assets		
Unrestricted	<u>118,442</u>	<u>64,850</u>
Total Net Assets	<u>\$118,442</u>	<u>\$ 64,850</u>

The District does not have any "restricted" net assets. Unrestricted net assets are net assets that do not have any limitations on how these amounts may be used or expended.

As noted above, the net assets of the District increased by \$53,592 or 83% from January 01, 2010 to December 31, 2010.

Summary Statement Of Activities  
Years Ended December 31, 2010 And 2009

	<u>2010</u>	<u>2009</u>
Revenues	\$ 226,679	\$ 225,212
Expenditures	<u>173,087</u>	<u>176,923</u>
Change In Net Assets	<u>\$ 53,592</u>	<u>\$ 48,289</u>

**Budgetary Highlights**

The variances between budgeted and actual amounts are summarized as follows:

Revenue – Overall favorable variance of \$15,413, or 7.3%, due to:

- Increase in total parcels fees collected over the amount of parcel fees expected to be collected in the budget.

Expenditures – Overall favorable variance of \$8,933, or 4.9%, due to:

- Decrease in administration expense and patrol hours compared to budgeted.

**Economic Factors And Next Year's Budget And Rates**

For 2011 the District has decreased the current fee from \$485 to \$425 per parcel of real property. Expenses in 2011 are expected to remain level with 2010 as there are no significant changes anticipated in the patrol services (NOPP) hourly rates and the number of hours patrolled on a daily basis. However, there may be a possible increase in rates for the NOPD patrol personnel. Overall, the District expects that next year's actual revenues and expenses to closely reflect the budgeted amounts.

**Contacting The District's Financial Management**

This report is designed to provide our residents of the District and others with a general overview of the District's finances and to show the District's accountability for the money it received. Any questions about this report or requests for additional information may be directed to the District's Financial Manager, Ms. Katherine Smith, located at 1031 Webster St., New Orleans, Louisiana 70118.

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**Financial Section**



**PEDELAHORE & CO., LLP**  
*Certified Public Accountants*

Independent Accountants' Review Report

To the Board of Commissioners  
Upper Hurstville Security District  
New Orleans, Louisiana

We have reviewed the accompanying basic financial statements of Upper Hurstville Security District (the District), as of and for the year ended December 31, 2010, as listed in the table of contents. A review includes primarily applying analytical procedures to the District's financial data and making inquiries of the District's personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with *Louisiana Governmental Audit Guide* and the provisions of the state law, we have issued a report, dated July 5, 2011 on the results of our agreed-upon procedures.

*Pedellakare & Co., LLP*

July 5, 2011

**Upper Hurstville Security District**  
**Statement Of Net Assets**  
December 31, 2010

Statement A

**Assets**

Cash	\$ 958
Receivables - Due from Board of Liquidation, City Debt	<u>148,216</u>
 Total Assets	 <u>149,174</u>

**Liabilities**

Refundable parcel fees	25,222
Accounts payable	<u>5,510</u>
 Total Liabilities	 <u>30,732</u>

**Net Assets**

Unrestricted net assets	<u>118,442</u>
 Total Net Assets	 <u>\$ 118,442</u>

See accompanying notes and independent accountant's review report.

**Upper Hurstville Security District**  
**Statement Of Activities**  
For The Year Ended December 31, 2010

Statement B

**Expenditures**

Security services	\$ 161,320
Administration	6,360
Insurance	2,002
Accounting services	2,900
Website design	268
Postage bank charges	<u>237</u>

Total Expenditures	<u>173,087</u>
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**Revenues**

Parcel fees (net of collection fees)	225,675
Interest earned	<u>1,004</u>

Total Revenues	<u>226,679</u>
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<b>Change In Net Assets</b>	53,592
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Net Assets At Beginning Of Year	<u>64,850</u>
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<b>Net Assets At End Of Year</b>	<u><u>\$ 118,442</u></u>
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See accompanying notes and independent accountant's review report.

**Upper Hurstville Security District**  
**Balance Sheet**  
**General Fund - Governmental Fund**  
**December 31, 2010**

Statement C

**Assets**

Cash	\$ 958
Receivables - Due from Board of Liquidation, City Debt	<u>148,216</u>
Total Assets	<u>\$ 149,174</u>

**Liabilities And Fund Balance**

Refundable parcel fees	\$ 25,222
Accounts payable	<u>5,510</u>
Total Liabilities	<u>30,732</u>
Fund balance - unreserved and undesignated	<u>118,442</u>
Total Liabilities And Fund Balance	<u>\$ 149,174</u>

See accompanying notes and independent accountant's review report.

**Upper Hurstville Security District**  
**Reconciliation Of The Governmental Funds Balance Sheet**  
**To The Government - Wide Statement Of Net Assets**  
**December 31, 2010**

Statement D

<b>Fund Balance - Governmental Fund (Statement C)</b>	<b>\$ 118,442</b>
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Amount reported for governmental activities in the statement of net assets  
(government-wide financial statements) are different because:

There are no differences noted

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<b>Net Assets Of Governmental Activities (Statement A)</b>	<b><u>\$ 118,442</u></b>
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See accompanying notes and independent accountant's review report.

**Upper Hurstville Security District**  
**Statement Of Revenues, Expenditures, And**  
**Changes In Fund Balance**  
**General Fund - Governmental Fund**  
**For The Year Ended December 31, 2010**

	Statement E
<b>Revenues</b>	
Parcel fees (net of collection fees)	\$ 225,675
Interest earned	<u>1,004</u>
 Total Revenues	 <u>226,679</u>
 <b>Expenditures</b>	
Security services	161,320
Administration	6,360
Insurance	2,002
Accounting services	2,900
Website design	268
Postage bank charges	<u>237</u>
 Total Expenditures	 <u>173,087</u>
 <b>Net Change In Fund Balance</b>	 <b>53,592</b>
 Fund Balance At Beginning Of Year	 <u>64,850</u>
 <b>Fund Balance At End Of Year</b>	 <b><u>\$ 118,442</u></b>

See accompanying notes and independent accountant's review report.

**Upper Hurstville Security District**  
**Reconciliation Of The Statement Of Revenues, Expenditures**  
**And Changes In Fund Balances Of Governmental Funds**  
**To The Statement Of Activities**  
**For The Year Ended December 31, 2010**

	Statement F
<b>Net Change In Fund Balance - Governmental Fund (Statement E)</b>	<b>\$ 53,592</b>

Amounts reported for governmental activities in the statement of activities  
(government-wide financial statements) are different because:

There are no differences.

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<b>Change In Net Assets Of Governmental Activities (Statement B)</b>	<b><u>\$ 53,592</u></b>
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See accompanying notes and independent accountant's review report.



**Upper Hurstville Security District**  
**Notes To Financial Statements**  
**Year Ended December 31, 2010**

**Note 1. Introduction**

The Upper Hurstville Security District (the "District") is a special taxing district created by Act 447 of Regular Session of 2003 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.6), for the purpose of promoting and encouraging the security in the area included within the District.

The District is governed by a Board consisting of nine members (commissioners) who are residents within the District. The commissioners are appointed by certain organizations within the District, the mayor, and the state senator, state representative and city council member representing the District. Commissioners are appointed on a rotating and staggered schedule of four-year terms, and serve without compensation.

The boundaries of the District are areas within the following perimeter: Exposition Boulevard to Prytania Street to Nashville Avenue to Magazine Street and back to Exposition Boulevard. The District includes approximately 440 to 468 taxable properties.

The District has no employees and has contracted out the administrative and managerial functions of the organization to an independent contractor.

As approved by a majority of voters of the District in November 2003, the operations of the District has been funded beginning in 2004 by the imposition of a special parcel fee on all taxable real property within the District. The parcel fee was renewed for eight years by a majority of the voters in November of 2010.

**Note 2. Summary Of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial statements - and Management's Discussion and Analysis - For State and Local Governments*, issued in June 1999.

**Upper Hurstville Security District**  
**Notes To Financial Statements**  
**Year Ended December 31, 2010**

**Reporting Entity**

The Upper Hurstville Security District is the basic level of government, which has financial accountability and control over all affairs of the District related to promoting and encouraging the security of the Upper Hurstville area in Orleans Parish. The District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board (GASB) pronouncement, because the majority of Board members are appointed by the public, and said Board has decision making authority, the authority to set rates (within legally prescribed limits), the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement No. 14, *The Financial Reporting Entity*, which are included in the District's reporting entity.

**Fund Accounting**

Due to the nature of the organization and its present operations, all revenues and expenditures of the District are accounted for in the General Fund, a governmental fund type. This fund is the general operating fund of the District. It is used to account for all financial resources of the District.

**Basis of Accounting**

**Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities report information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Upper Hurstville Security District**  
**Notes To Financial Statements**  
**Year Ended December 31, 2010**

**Fund Financial Statements**

The amounts reflected in the General Fund Statements, are accounted for using a current financial resources measurement focus. Measurement focus refers to what is being measured; basis of accounting refers to timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All revenues and expenditures of the District are accounted for in the General Fund (a governmental fund type). Governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

**Reconciliation**

Explanation of certain differences and the related reconciliations between the fund financial statements and government-wide financial statements are presented on pages 11 and 13.

**Budget Practices**

The proposed budget, prepared on the modified accrual basis of accounting, is submitted to the Board of Commissioners prior to the beginning of each fiscal year. The budget is made available for public inspection and is then legally adopted by the Board. The budget is established and controlled by the District, and is amended during the year, as necessary. All budgetary appropriations lapse at the end of the year and must be re-appropriated for the following year to be expended.

**Deposits**

Cash and cash equivalents include amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**Upper Hurstville Security District**  
**Notes To Financial Statements**  
**Year Ended December 31, 2010**

At December 31, 2010, the District had cash (book balances) totaling \$958 in non-interest bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 2010, the District had \$16,063 in deposits (collected bank balance) insured by FDIC coverage.

**Investments**

The District does not have any investments other than cash invested in a non-interest bearing checking account. Funds held in a custodial account of the Board of Liquidation, City Debt, are invested in money market accounts, certificates of deposit, and/or full faith and credit obligations of the United States Government.

**Risk Management**

The District is exposed to various risk of loss related to torts; and theft of, damage to and destruction of assets. To handle such risk of loss, the District, its Board of Commissioners, its Manager and any staff member are insured under the policies maintained by District.

**Note 3. Parcel Fees**

Annually, the District submits a plan to the City Council of New Orleans to levy and collect a parcel fee, not to exceed \$650 per improved parcel of land located within the boundaries of the District.

The City of New Orleans levies and collects the special fees for the District in the same manner and at the same time as ad valorem taxes on property subject to taxation by the City of New Orleans are levied and collected. Specifically, with regards to the District, the special parcel fees are levied on January 1 of the current year based on a flat fee per improved parcel of land not to exceed \$650. Parcel fees are due January 1 and become delinquent on February 1. The City is permitted to retain one percent (1%) of the amount collected as a collection fee.

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**Upper Hurstville Security District**  
**Notes To Financial Statements**  
**Year Ended December 31, 2010**

Parcel fees are paid over to the Board of Liquidation, City Debt, day by day as collected. The Board of Liquidation, City Debt, serves in a custodial capacity for the District, and the funds collected are deposited in a special account until warranted by the District.

The District records the parcel fees as receivables and revenues in the year the taxes become due.

**Note 4. Receivables – Due From Board Of Liquidation, City Debt**

Receivables totaling \$148,216 at December 31, 2010, mainly consist of funds held in a custodial account of the Board of Liquidation, City Debt. These funds, which have not been warranted by the District as of December 31, 2010, consist of parcel fees and interest earned on funds held in custody.

**Note 5. Pension Plan**

The District has no employees and is not a member of any retirement plan.

**Note 6. Litigation And Claims**

The District is not involved in any litigation and management is not aware of any claims against the District.

**Note 7. Compensation Paid To Board Members**

The members of the Board of Commissioners of the District receive no compensation for their services.

**Upper Hurstville Security District**  
**Notes To Financial Statements**  
**Year Ended December 31, 2010**

**Note 8. Other Commitments And Contingencies**

Commitments:

The District has no long term contracts.

Other Contingencies – Refundable Parcel Fees:

Refundable parcel fees totaling \$25,222 represent a liability for estimated parcel fees erroneously levied and collected by the City and distributed to the District in 2009. The District expects that these funds will be either refunded or offset against future parcel fee collections. Ultimate resolution of these funds is not determinable as of the date of this report.

**Note 9. Date Of Management's Review**

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through July 5, 2011, the date the financial statements were available to be issued.

**Required Supplementary Information (Part II)**

**Upper Hurstville Security District**  
**Statements Of Revenues, Expenditures, And**  
**Changes In Fund Balance**  
**Budget And Actual - General Fund**  
**For The Year Ended December 31, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>%</u> <u>Variance</u>
<b>Revenues</b>				
Parcel fees (net of fees)	\$ 211,266	\$ 225,675	\$ 14,409	
Interest earned	<u>-</u>	<u>1,004</u>	<u>1,004</u>	
<b>Total Revenues</b>	<u>211,266</u>	<u>226,679</u>	<u>15,413</u>	7.3
<b>Expenditures</b>				
Security services	165,000	161,320	3,680	
Administration	12,000	6,360	5,640	
Insurance	2,100	2,002	98	
Accounting services	2,500	2,900	(400)	
Website design	250	268	(18)	
Postage and bank charges	<u>170</u>	<u>237</u>	<u>(67)</u>	
<b>Total Expenditures</b>	<u>182,020</u>	<u>173,087</u>	<u>8,933</u>	4.9
<b>Net Change In Fund Balance</b>	29,246	53,592	24,346	
<b>Fund Balance At Beginning Of Year</b>	<u>64,850</u>	<u>64,850</u>	<u>-</u>	
<b>Fund Balance At End Of Year</b>	<u>\$ 94,096</u>	<u>\$ 118,442</u>	<u>\$ 24,346</u>	

There were no amendments during the year to the original budgeted amounts of revenues and expenditures.

See accompanying notes and independent accountants review report.



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### **Other Reports And Supplemental Information**

**PEDELAHORE & CO., LLP**  
*Certified Public Accountants*

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Commissioners  
Upper Hurstville Security District  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Upper Hurstville Security District (the District) and the Legislative Auditor, State of Louisiana, solely to assist the specified parties in evaluating management's assertions about Upper Hurstville Security District's compliance with certain laws and regulations during the year ended December 31, 2010, included in the accompanying *Louisiana Attestation Questionnaire*. Management is responsible for the District's compliance with those laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

*Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures meeting the above criteria.

*Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Not applicable; the District has no employees or elected officials.

3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable; the District has no employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable; the District has no employees.

#### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget; no budget amendments were made during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on December 7, 2009, which indicated that the resolution to approve the budget for 2010 had been approved by the Board of Commissioners.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. There were no unfavorable variances.

#### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

### *Accounting and Reporting*

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and,

All of the payments were properly coded to the correct fund and general ledger accounts.

- (c) Determine whether payments received approval from proper authorities.

Inspection of the cancelled checks for each of the six selected disbursements indicated that all checks were properly approved and signed by authorized officials.

### *Meetings*

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting by posting a copy of the notice at the principal office of the public body holding the meeting, or if no such office exists, at the building in which the meeting is to be held; or by publication of the notice in an official journal of the public body no less than twenty-four hours before the meeting.

The minutes reviewed, and an inquiry of management confirmed, that the appropriate public notices of all meetings were posted more than twenty-four hours before each meeting at the meeting location.

### *Debt*

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank statements for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness. All deposits were fees collected and distributed by the Board of Liquidation.

*Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance, or gifts.

A reading of the minutes of the District for the year indicated no approval for the types of payments noted. Inspection of disbursements in the general ledger indicated no payments of bonuses, advances or gifts. Inspection of payroll records was not appropriate, as the District has no employees.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Upper Hurstville Security District and the Legislative Auditor, State of Louisiana, and is not intended to be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Peddelahave & Co, LCP*

July 5, 2011

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### **Other Schedules**

**Upper Hurstville Security District**  
**Schedule Of Current Year Findings**  
**Year Ended December 31, 2010**

We have reviewed the basic financial statements of Upper Hurstville Security District as of and for the year ended December 31, 2010, and have issued our report thereon dated July 5, 2011. In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have also issued a report, dated July 5, 2011, on the results of our agreed-upon procedures.

**Section I – Agreed Upon Procedures**

There were no findings noted for the year ended December 31, 2010.

**Section II – Management Letter**

<b>Finding 2010-1:</b>	Revenue and Budgetary Monitoring (Repeated from prior year)
Condition:	Refundable parcel fees are included as a liability in the financial statements and must be either refunded or offset against future collections by the City of New Orleans. Uncertainty still exists as to the amount of parcels fees actually paid in error or uncollected for fiscal year 2009.
Cause:	In 2009, the City of New Orleans erroneously collected and distributed parcel fees in excess of those belonging to the District. The District did not receive timely and accurate information from the City of New Orleans and/or the Assessor concerning the parcel fees levied and collected during 2009.
Effect:	The District has recorded a liability for the estimated overpayment based on the information available; however, until fully resolved, the final effect is uncertain.
Recommendation:	We recommend that the District's management contact the City to determine how this matter might be resolved. Also it may be necessary to request reports from the Assessor that reflect the parcels incorrectly identified as belonging to the district in 2009.

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**Upper Hurstville Security District**  
**Schedule Of Current Year Findings**  
Year Ended December 31, 2010

**Management's  
response and  
planned corrective  
action:**

The District concurs with the finding. We received reports from the City of New Orleans Finance Department indicating what fees were levied for 2009 and 2010, but did not receive any reports itemizing the fees already refunded or those to be refunded concerning the overpayments. Such information may be necessary until all overpayments are reconciled. Additionally, we will attempt to obtain an itemized listing of the erroneously billed parcels from the Assessor, as well as refund information from the City.



**Upper Hurstville Security District**  
**Schedule Of Prior Year Findings**  
Year Ended December 31, 2010

**Section I – Agreed Upon Procedures**

**Finding 2009-1:** Open Meetings Law

Condition: Documentation of notices of public meetings and agendas were not available to review and minutes for only one meeting was in the District's records.

Status: *Resolved.* A review of the District's minutes and agendas, and inquiry of management indicated that the District complied with the open meetings law for 2010.

**Finding 2009-2:** Bonuses

Condition: The District paid holiday bonuses to police officers serving as independent contractors patrolling the District. The bonuses ranged from \$30 to \$240 per officer and totaled \$1,000.

Status: *Resolved.* No bonuses were paid to independent contractors for 2010.

**Finding 2009-3:** State Reporting

Condition: The District's review report was filed after the June 30<sup>th</sup> filing date but within the approved extension deadline.

Status: *Resolved.* The District 2010 compilation report was filed within the time period required by Louisiana State Law.

**Section II – Management Letter**

**Finding 2009-4:** Revenue and Budgetary Monitoring

Condition: Refundable parcel fees are included as a liability in the financial statements which must be either refunded or offset against future collections by the City of New Orleans. There is still some uncertainty with the amount of parcels fees actually paid in error or uncollected for the fiscal year.

**Upper Hurstville Security District**  
**Schedule Of Prior Year Findings**  
Year Ended December 31, 2010

**Status:** *Unresolved.* See Management Letter Finding 2010-1.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

April 20, 2011 (Date Transmitted)

Pedelahore & Co., LLP  
1010 Common St., Suite 2100  
New Orleans, LA 70112

(Auditors)

In connection with your review of our financial statements as of December 31, 2010 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [☒] No [ ]

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No [ ]

### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Benjamin J. Waring BENJAMIN J. WARING Secretary 6/26/11 Date  
EM Bruton EM Bruton Treasurer June 16 '11 Date  
KC Duncan KC Duncan President June 8 2011 Date